

Free Care and Other Health Coverage Requirements

Med-Cal will not reimburse LEA providers for services given to Medi-Cal beneficiaries if the same services are offered for free to non-Medi-Cal beneficiaries. LEA providers must use specific methods to ensure the care is not considered free, allowing Medi-Cal to be billed. For LEA services provided to Medi-Cal eligible students to be eligible for reimbursement, the LEA must:

1. Establish a fee for each service provided, (it could be sliding scale to accommodate individuals with low income);
2. Collect OHC information from all those served (Medi-Cal and non-Medi-Cal), and
3. Bill other responsible third party insurers.

The following chart clarifies when OHC Insurers must be billed:

Insurance Status	Students with an IEP, IFSP or Title V	All other Students
Medi-Cal Only	Bill Medi-Cal	Bill Medi-Cal
Medi-Cal and OHC	Bill OHC, then Medi-Cal *	Bill OHC, then Medi-Cal
No Medi-Cal, has OHC	Don't have to bill insurance *	Must Bill Insurance
No Medi-Cal, No OHC	Don't have to bill anyone	Don't have to bill anyone

* If the school policy prevents OHC from being billed because it creates a hardship to the family, Medi-Cal doesn't require OHC to be billed. However, in such cases, Medi-Cal cannot be billed either. The school policy to bill OHC must be consistent for all students.

Example: Many schools have a school nurse on staff to provide necessary health services to all students without charging them for the care provided. However, the school cannot charge Medi-Cal for the services of the school nurse, if he/she provides those services to all students (not solely Medicaid eligible) without also charging non-Medi-Cal students.

Medi-Cal will be conducting a survey of OHC. When completed, the results will be posted on the website at www.dhs.ca.gov/lea, and a notice will be sent out in the provider manual. The survey should be completed by December 2003. Until then, schools must bill the OHC.

Exceptions to the Free Care Requirement

Medi-Cal covered services provided under an IEP, IFSP or Title V are exempt from the free care requirement. Although the services are exempt from the free care requirement, the LEA provider still has to pursue any OHC insurers for reimbursement before billing Medi-Cal.

Example: A Medi-Cal eligible student with OHC is provided speech therapy, which is documented in their IEP/IFSP. The LEA provider must pursue recovery from the OHC insurers for reimbursement before billing Medi-Cal.